



NEWS RELEASE

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

FOR IMMEDIATE RELEASE

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TEACHER HOME PURCHASE PROGRAM TO BE AVAILABLE STATEWIDE

SACRAMENTO -- A home loan program for teachers who commit to teach in a low-performing school for five years has just gone Statewide. On May 8, 2001 the Extra Credit Teacher Home Purchase Program – previously operating in six California counties and the City of Los Angeles – was expanded to reach teachers serving in lagging schools anywhere in the State.

The action was taken by the California Debt Limit Allocation Committee (CDLAC), chaired by State Treasurer Philip Angelides, which awarded \$15 million to the California Housing Finance Agency (CHFA) to run the Statewide component of the teacher home loan program. This brings total funding for the program to \$154 million over two years.

Eligible teachers living in any of nine local communities that provide down payment assistance may apply directly in those communities. Those include the Cities of Oakland and Los Angeles, and the Counties of Los Angeles, Orange, Sacramento, San Bernardino, San Francisco, Santa Clara, and Santa Cruz. And, as a result of today's vote, teachers living elsewhere in the State may apply for the program through the California Housing Finance Agency. It is anticipated that Extra Credit will serve more than 4,000 teachers through 2004.

"I am very pleased about this program for two reasons," State Treasurer Philip Angelides said. "More teachers will be moving into their own homes, and they have committed to teaching at a low-performing school for the next five years. Everyone wins under the terms of this contract. The teacher and his or her family can afford their first home, and the school is guaranteed a competent, credentialed teacher," he added.

The program provides eligible teachers, principals, vice principals and assistant principals with an annual tax credit of approximately 15% against their mortgage interest payments (mortgage credit certificate program) or a reduced interest rate mortgage loan (mortgage revenue bond loan). With a mortgage credit certificate, a family with a \$150,000, 8% interest rate mortgage would receive a credit of approximately \$37,000 over the life of the mortgage – with an annual savings of up to \$1,800. With a loan through the mortgage revenue bond program, a family with a \$150,000 mortgage loan, the interest rate would be reduced by approximately 1%, which would result in savings of approximately \$37,000 over the life of the loan.

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